

PROGRAM IN SUPPORT OF JUDICIAL REFORM

(GU-0092)

EXECUTIVE SUMMARY

BORROWER AND GUARANTOR: Republic of Guatemala

EXECUTING AGENCY: Secretaría Ejecutiva de la Instancia Coordinadora de la Modernización del Sector Justicia [Executive Secretariat of the Coordinating Authority for Modernization of the Justice Sector] (ICMSJ).

Coexecuting agencies: The Judicial Branch, the Public Prosecutor's Office, the Public Defender's Office, and the Ministry of the Interior.

AMOUNT AND SOURCE:

IDB: OC/IFF	US\$25 million
Local counterpart:	US\$ 6 million
Total:	US\$31 million

FINANCIAL TERMS AND CONDITIONS:

Amortization period:	30 years
Grace period:	4 years
Disbursement period:	4 years
Interest rate:	variable
Inspection and supervision:	1% of the loan amount
Credit fee:	0.75% annually of the undisbursed balance
Currency:	United States dollars & single currency facility

OBJECTIVES: The objective is to strengthen the democratic and pluricultural rule of law by providing support to the institutions of the justice system, at the individual institutional level as well as in terms of coordination between the institutions, in order to improve access to justice and the quality of judicial services.

DESCRIPTION: The program is divided into two subprograms, whose specific objectives are as follows: **Access to Justice - Subprogram A (US\$12.1 million)**, which consists of improving coverage of the judicial system in deprived communities, facilitating physical, linguistic, and cultural access to justice through the construction and placement in operation of eight *centros de administración de justicia* [justice administration centers] (CAJs), 47 *juzgados de paz* [justice of the peace offices, similar to U.S. small claims courts but without conducting full-scale trials], and 10 district prosecutor's offices, as well as the implementation of special activities designed for the indigenous communities; and **Institutional Strengthening & Subprogram B (US\$5.7 million)**, which in an initial phase would provide support to institutions in the sector seeking to strengthen their managerial, technical, and administrative capacities as a means to improve their internal efficiency and the quality of the services

they provide to the public, and in a second phase would establish mechanisms for interinstitutional coordination, allowing for greater recourse to deliberation and joint action in addressing common problems within the sector.

**ROLE OF THE
PROJECT IN THE
SECTORAL STRATEGY
OF THE BANK AND
THE COUNTRY:**

The proposed program is consistent with the Bank's country strategy in terms of supporting government efforts to consolidate a modern, pluricultural, and multiethnic state, enabling poor, indigenous, and rural population segments to participate in the development process. The program is also consistent with the frame of reference for Bank action in modernization of the state and civil society strengthening projects.

**ENVIRONMENTAL AND
SOCIAL REVIEW:**

Environmental and social considerations have been reflected in the training and infrastructure components of the program. In addition, terms of reference were prepared for the development of an environmental action plan, explained in paragraph 4.20.

BENEFITS:

Execution of the program will result in a more efficient and accessible justice system for the majority of the population, greater capacity to coordinate activities, and an improved environment in terms of legal and citizen security.

RISKS:

The success of the program depends in large part on its acceptance by the beneficiary communities, particularly the indigenous communities. Such acceptance is difficult to predict, particularly in view of the country's limited experience in activities that entail the integration of Mayan and other indigenous communities. The program is expected to mitigate these risks through the active participation of these beneficiaries in the process of extending judicial services into the country's interior.

Another central issue relates to the proper functioning of the interinstitutional coordinating mechanisms. It is believed that strengthening ICMSJ Executive Secretariat with program support will provide an effective means to minimize the related risks.

**SPECIAL
CONTRACTUAL
CLAUSES:**

Conditions precedent to the first disbursement:

- a. Providing the ICMSJ Executive Secretariat with the resources necessary to execute the program (see paragraph 3.3);
- b. Signature of a subsidiary agreement for the transfer of resources and program execution between the borrower, ICMSJ, and the coexecuting agencies (see paragraph 3.2);
- c. Implementation of the operating regulations (see paragraph 3.5).

Conditions precedent to the disbursement of resources
for execution of each of the subprograms:

- a. Formation of the corresponding coexecuting unit, providing it with the means necessary to execute the program (see paragraph 3.4).
- b. Presentation of a work plan for the first year of program execution (see paragraph 3.4).

Other conditions:

The contract will also set forth the conditions necessary for execution, monitoring, and evaluation of the program (see paragraph 3.25 and 3.26).

**POVERTY TARGETING
AND SOCIAL SECTOR
CLASSIFICATION:**

As a project to provide greater access to justice for a population segment that is for the most part poor, the project qualifies for "poverty-targeted investment" (PTI) status under criterion (c) geographical classification (see paragraph 4.17).

**EXCEPTIONS TO
BANK POLICY:**

None.

PROCUREMENTS:

International public bidding will be conducted in cases where resources from the financing are used to procure: works in amounts exceeding US\$1.5 million; goods in amounts exceeding US\$250,000; and consulting services in amounts exceeding US\$200,000.